August 21, 2015

Dear [Redacted],

Re: Your request for access to information under Part II of the Access to Information and Protection of Privacy Act [JPS/030/2015]

On July 29, 2015, the Department of Justice and Public Safety received your request for access to the following records/information:

"Any briefing or information notes - in any and all formats, including paper and electronic - provided to, or prepared for, the minister, on civil legal efforts to recover money owing in relation to the House of Assembly spending scandal. Date range of request is January 1, 2013 to the present."

I am pleased to inform you that a decision has been made by the Deputy Minister of the Department of Justice and Public Safety to provide access to some of the requested information. In particular, access is granted to portions of an Information Note dated January 18, 2013. This is the only responsive record in the custody or control of the Department of Justice and Public Safety.

Access to the remaining information contained within the record has been refused in accordance with the following exceptions to disclosure, as specified in the Access to Information and Protection of Privacy Act (the Act):

- Section 30 – Legal Advice; and
- Section 40 – Disclosure Harmful to Personal Privacy.

As required by 8(2) of the Act, we have severed information that is unable to be disclosed and have provided you with as much information as possible.

If you have any further questions, please feel free to contact me by telephone at 709-729-7906, or by email at ncroke@gov.nl.ca.

Sincerely,

[Signature]

Neil Croke
ATIPP Coordinator

4th Floor, East Block, Confederation Building, P.O. Box 8700, St. John's, NL, Canada A1B 4J6
Facsimile 729-2129
Information Note (Updated)
Department of Finance

Title: Status of the Recoveries from former MHAs (E. Byrne, W. Andersen, R. Collins, J. Walsh), the former Director of Financial Operations for the House of Assembly (HOA) (W. Murray) and John Hand (J. Hand).

Issue: Recoveries of excess constituency allowance payments to four MHAs and amounts from W. Murray and J. Hand.

Background and Current Status:
- The Auditor General's June/December 2006 reports alleged that the MHAs received excess constituency allowance payments.
- Government (Department of Justice) had contracted with White, Ottenheimer & Baker (WOB), now Ottenheimer Baker (OB), in relation to these amounts to have independent assessments done through a professional accounting firm (Ernst and Young) to determine the amount of indebtedness that can be supported in Court.
- The Auditor General also reported in 2006 on inappropriate payments made to a third party company owned by the former Director of Financial Operations for the HOA, Mr. Murray and/or his wife.
- The Auditor General's 2006 report also identified circumstances surrounding payments totaling $2.7 million, made from April 1998 to December 2005, to three companies (Zodiac Agencies, JAS Enterprises Limited and Cedar Scents International), which lead him to question the legitimacy of at least a portion of these payments. John Hand was associated with these three companies and after an RNC investigation has pleaded guilty to frauds upon the Government.
- The work by OB was completed and Statements of Claim were filed for each of the MHAs, W. Murray and J. Hand.
- Criminal actions have been completed for the four MHAs, Mr. Murray and Mr. Hand.
- Settlement Agreements have been entered into with three of the MHAs: Mr. Collins for the full amount owing and has been registered with the Sheriff's Office; Mr. Andersen for the full amount owing and it was registered upon final payment of the criminal related Judgment; Mr. Walsh for the full amount owing and it will be registered when the trustee in bankruptcy is discharged.
- Mr. Byrne has signed a Consent Judgment for the full amount owing and this has been registered with the Sheriff's Office.
- Recoveries from the MHAs to date include withholding of severance (Byrne, Andersen, and Collins), payments and withholding of the Supplementary Allowances from all four MHAs.
- The Sheriff's Office will charge interest on the registered amounts outstanding.

Summary of Recoveries and Outstanding Balances for the MHAs as of 31 December 2012

<table>
<thead>
<tr>
<th>MHA</th>
<th>Adjusted Balance (Note)</th>
<th>Recoveries</th>
<th>Outstanding Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>E. Byrne</td>
<td>$468,978.59</td>
<td>$225,768.88</td>
<td>$243,209.71</td>
</tr>
<tr>
<td>J. Walsh</td>
<td>$189,544.69</td>
<td>$116,480.87</td>
<td>$73,063.82</td>
</tr>
<tr>
<td>W. Andersen</td>
<td>$242,439.67</td>
<td>$242,439.67</td>
<td>$0.00</td>
</tr>
<tr>
<td>R. Collins</td>
<td>$309,088.28</td>
<td>$180,221.02</td>
<td>$128,867.26</td>
</tr>
</tbody>
</table>

Note: The Original Balances per the Auditor General's Reports on the MHA Excess Constituency Allowance Payments were adjusted for HST, Third Party Payments, adjustments based on the Ernst and Young Reports and other adjustments from the criminal proceedings (i.e., Judgment Registration Fees and Post Judgment Interest)
A Consent Judgment was filed in Supreme Court against Mr. Murray and this has been registered with the Sheriff's Office.

Summary of Recoveries and Outstanding Balances as of 31 December 2012

<table>
<thead>
<tr>
<th>B. Murray</th>
<th>Adjusted Balance (Note)</th>
<th>Recoveries</th>
<th>Outstanding Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restitution Order</td>
<td>$181,740.81</td>
<td>$70,252.64</td>
<td>$111,488.17</td>
</tr>
<tr>
<td>Consent Judgment</td>
<td>$197,232.13</td>
<td>$0.00</td>
<td>$197,232.13</td>
</tr>
</tbody>
</table>

Note: Adjusted Balance includes Judgment Registration Fees and Post Judgment Interest

After discussions with the Department of Justice and OB, recoveries are generally applied first against internal amounts owed (e.g., double billings) then against criminal restitution ordered amounts (Sheriff's Office is informed regularly via OB) then against civil restitution amounts (settlements), then against the remaining balance outstanding.

Media have occasionally requested information as to amounts recovered related to the above individuals. Information is vetted through the Finance Communications Director and the ATIPP Coordinators for the Department Finance and/or Justice.

E. Byrne

- A Consent Judgment has been registered for Mr. Byrne for the full amount owing. The Order expires May 2020 at which time approximately $60,500 will remain outstanding.
- The Criminal Order has been released.
- A Notice of Lis Pendens (lawsuit pending) has been filed against Mr. Byrne's summer home.
- Recoveries are being made from the Supplementary Allowance and the length of time to recover is estimated to take until approximately June 2022, at which time Mr. Byrne will be 59.

Action Being Taken:

- Recoveries from Supplementary Allowances are continuing.

J. Walsh

- A Settlement Agreement has been entered into with Mr. Walsh for the full amount owing. In addition to this, a Consent Judgment can not be registered until such time as the Trustee is discharged (as per the Bankruptcy and Insolvency Act).
- Mr. Walsh was discharged from bankruptcy, July 2011. The Trustee has been discharged and OB is in the process of registering the Consent Judgment.
- While recoveries are being made from the Supplementary Allowance the length of time to recover is estimated to be July 2015.

Action Being Taken:

- Recoveries from Supplementary Allowances are continuing.
W. Andersen
- A Settlement Agreement has been entered into with Mr. Andersen for the full amount owing; the judgment that was granted has been registered with the Sheriff's Office.
- OB filed a Notice of Lis Pendens in the Supreme Court of Newfoundland and Labrador Trial Division relating to property in Happy Valley-Goose Bay which Mr. Andersen held an interest in. The Notice will be removed when the balance of the judgment has been paid. Final payment has been received and matter being addressed with Counsel.
- Recoveries are completed, waiting on The Statement of Verification from the Sheriff's Office to clear the account.

Action Being Taken:
- Registration of the Constant Judgment with the Sheriff's Office.

R. Collins
- A Settlement Agreement has been entered into with Mr. Collins for the full amount owing and a Consent Judgment has been registered with the Sheriff's Office. Based on current payments length of time to recover is estimated to be July 2024.
- Mr. Collins completed a financial questionnaire and returned it to us on May 30, 2012.

Action Being Taken:
- Recoveries from Supplementary Allowances are continuing in accordance with the Settlement Agreement.

W. Murray
- In February 2010 Mr. Murray was ordered by the court to pay restitution in the amount of $177,000 to the Province.
- Consent Judgment was also registered in June 2011 for Mr. Murray in the amount of $196,218.78 in addition to the amount owing under a Restitution Order.
- A net amount of $30,253 has been withheld from Mr. Murray's regular, severance and vacation pay in relation to his Statement of Claim. It was applied to the registered Criminal Order of $177,000.
- Sheriff's Office also intercepted $40,000 from the sale of Mr. Murray's house and applied it to the registered Restitution Order.
- Mr. Murray declared personal bankruptcy and was discharged by the Bankruptcy Court in December 2008.

Action Being Taken:
- Consultations are ongoing with OB with further action pending an OB recommendation. Registered Debt continues.

J. Hand
- Criminal proceedings are completed and Mr. Hand has been ordered to repay $450,000. Mr. Hand was served with a Statement of Claim for $2.3 million which includes the $450,000 Restitution Order. Nothing has been recovered to date due to...
Discovery Proceedings prior to commencing an action against Robert Hand and Christina Serna was denied in court. Recourse is to file a Statement of Claim against them which has been done; document exchange is in progress to facilitate the discovery process.

**Action Being Taken:**
- Statement of Claim against R. Hand and C. Serna is issued and served. Document exchange is imminent.

Prepared: B. O'Neill/ R. Williams
Date: January 18, 2013

Approved by: L. Skinner

Signature

Date